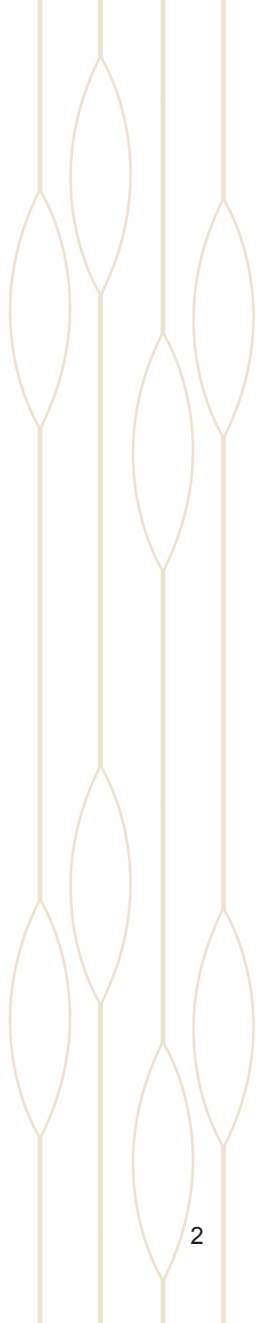




ARTICLES OF ASSOCIATION OF:
THE RAS AL KHAIMAH CENTRE OF RECONCILIATION
& COMMERCIAL ARBITRATION
YUSEF OBAID AL NUAIMI
CHAIRMAN OF THE RAS AL KHAIMAH CHAMBER OF
COMMERCE & INDUSTRY



- After reviewing the Law of organizing Ras Al Khaimah Chamber of Commerce and Law of Industry No.: 5 of the Year 2007 .
- After reviewing the executive rules of: R.A.K Chamber of Commerce issued on the Year 2008
- Pursuant to the Amiri Decree No.: 17 of the Year 2008 ,
- Pursuant to the Board of Directors resolution dated: 07 / 09 / 2008

In accordance with the fundamental role played by the reconciliation and commercial arbitration to solve the disputes due to the dealing in different economical aspects, and as a response to the requirements of the legal and economical sectors in this regard, the Ras Al Khaimah Chamber of Commerce & Industry has approved the following regulations of the Centre aims to serve the said sectors in the field of solving the commercial disputes throughout the reconciliation and arbitration.

Therefore, we issued the followings : -

Chapter One

GENERAL RULES

Article (1)

The following terms and words shall have the meaning affixed to it for the purpose of these regulations, unless otherwise significant shall point to a different meaning.

Country: United Arab Emirates

Chamber: Ras Al Khaimah Chamber of Commerce & Industry

Board: R.A.K Chamber Board of Directors

Centre Chairman: Chairman of the R.A.K Chamber
Centre regulations: the regulations of Ras Al Khaimah Centre of reconciliation and commercial arbitration.

Commercial disputes: Includes the disputes in various economical, financial business in which arbitration can be applied.

Committee: The Committee of reconciliation and arbitration of Ras Al Khaimah Chamber of Commerce & Industry

Chairman: The Chairman of the Committee of reconciliation and arbitration appointed by the Board of Directors

Reconciliation authority: An authority to be formed in a specific dispute and comprises of one or more members.

Arbitration authority: An authority comprises members of odd number for arbitration in a specific dispute and comprises one or more arbitrator.

Expert: Any person selected to utilize his expertise in the commercial, engineering, accountancy or legal fields or other.

Secretary of the Centre: Legal department of the R.A.K Chamber.

Article (2)

These regulations shall be applied on the commercial disputes presented to the R.A.K Chamber for reconciliation or arbitration by a prior agreement between the parties of the dispute or due to the request of either party and the approval of the other.

Article (3)

The R.A.K Chamber recommend those who want to solve their dispute pursuant to these regulations to include one of the

following rules in their contracts:

Article of reconciliation:

Any dispute arise due to this contract shall be referred to the reconciliation pursuant to the rules of the Ras Al Khaimah Centre of reconciliation and commercial arbitration of Ras Al Khaimah Chamber of Commerce & Industry.

Article of Arbitration:

Any dispute related to execution, interpretation or deleting. Revocation, cancelling this contract or affiliated to or connected with in any aspect shall be referred to arbitration pursuant to the rules of Ras Al Khaimah Centre of reconciliation and commercial arbitration of Ras Al Khaimah Chamber of Commerce & Industry.

Article of Reconciliation & Arbitration:

Any dispute related to execution, interpretation, deleting, Revocation, cancelling this contract or affiliated to or connected with in any aspect shall be referred to arbitration pursuant to the rules of Ras Al Khaimah Centre of reconciliation and commercial arbitration of Ras Al Khaimah Chamber of Commerce & Industry. If the dispute hasn't solved by reconciliation it shall be referred to the arbitration as per the rules and regulations of the said rules.

Article (4)

The agreement of reconciliation or arbitration before Ras Al Khaimah Chamber of Commerce & Industry means the acknowledgment of both parties to accept the procedures and rules and regulations of these articles and commit with it.

Parties shall have the right to agree in writing on the method of arbitration by utilizing different rules to manage the arbitration including the non comply to these rules and regulations and the role of the R.A.K Chamber shall be host the arbitration under its guardianship without applying the rules of these regulations especially in regard to selecting the arbitrators and the possibility of filing or non filing appeal against the award of arbitration.

Article (5)

1- Unless otherwise parties expressly agreed on different rules their agreement on the arbitration shall be considered as an independent agreement than the contract subject of the dispute. if the contract cancelled for any reason their agreement on the arbitration shall remain valid.

2- The arbitration tribunal shall have the jurisdiction to resolve the defenses related to lack of jurisdiction, that includes the defenses based on non existing the agreement on arbitration, quash this agreement, its expiration or non inclusive the dispute subject.

Article (6)

The procedural rules that both parties agreed on shall implement on any dispute presented to the R.A.K Chamber for reconciliation or arbitration if there is no provision in these regulations rule a specific matter in the dispute. if both parties disagree then the authority of reconciliation or arbitration shall specify the procedures required to be implemented without prejudice the laws of the country required to be followed.

Article (7)

All information presented by the parties desire to implement the reconciliation or arbitration confidential and those who review the same due to their duty should not disclose it but according to the consent of both parties or due to the order of a competent judicial party.

Article (8)

If one or more of these regulations not implemented and either party know that, or suppose to know that and hasn't objected in suitable time then his right of objection shall be considered as drop.

Article (9)

Parties shall be notified and their responses shall be sent by registered mail or by any other known communication means such as fax, e-mail. Correspondences shall be sent to the parties on their addresses presented by them to the secretary of the Centre.

Chapter Two

Committee of Reconciliation & Commercial Arbitration of the R.A.K Chamber & Commerce

Article (10)

The Board shall be formed by and among the members of the reconciliation and arbitration Committee or others of specializations provided that their number should be not less

than five pursuant to the internal regulations of the R.A.K Chamber, and the members shall elect the Chairman.

Article (11)

Membership period shall be for 3 (three) years.

Articles (12)

The Committee located at the R.A.K Chamber and shall held its meetings when ever necessary found by an invitation from the Chairman and in case of his absence for any reason by the Chairman of the Board.

Article (13)

A- The quorum required for each session shall be completed by the attendance of majority of members.

B- The Committee shall be chaired by its Chairman or in his absence by the secretary of the Centre or by any person elected by the Committee among its members as a Chairman of the session.

C- The Committee sessions and discussions shall be confidential and the Committee shall adopt its resolutions by the majority of attended members, if the votes equal the Chairman shall have a cast vote, Chairman shall sign the adopted resolutions and the party who'll assume the charges and method of payment.

Article (14)

No members shall attend the discussion or participate in voting

if he is a party in the said subject or he has a direct or indirect interest, or any of the parties are one of his relatives till 4th. Degree or if he is an attorney of either litigants in his private business or his legal representative or his guardian. In all cases member of the Committee should declare his relation in any of the above cases – if any-

Article (15)

The Committee duties in regard implement these regulations shall be as follow:

A- Select a reconciliator or more as per Article No.: (17) of these regulations.

B- Appoint an arbitrator or more or Chairman of arbitration authority as per Article No.: (18) of these regulations.

C- Specify the place of arbitration if parties disagree to define the place.

D- Decide the application of reconsideration in regard the appointment of any of the arbitrators as per Article No.: (30) of these regulations.

E- Define the fees of reconciliators and arbitrators and charges of reconciliation or arbitration and the advance payment on the account of these charges.

F- Prepare the list of arbitrators and experts inside and outside the country as per the criteria adopted by the Committee.

G- Prepare the list of arbitrators and experts from inside and outside the country as per the criteria adopted by the Committee.

H- Propose internal regulations necessary to implement these regulations.

I- Propose the amendments required on these regulations or any other regulations.

Chapter Three
SECRETARY OF THE CENTRE
Article (16)

The Centre shall have a secretary to fulfill the following duties:

A- Receive the application of reconciliation or arbitration and the answers and all documents related to the dispute.

B- Notify the other party of the litigation of the reconciliation or arbitration application.

C- Prepare a brief and present the same to the Committee.

D- Notify both litigants of the session timing, place of session if required by the Committee of reconciliation or arbitration that.

E- Prepare and keep register of reconciliation or arbitration application that to be presented to the Committee and keep the original copies of the awards for reference.

F- Register and record the minutes of meeting of each Committee session, also the Committees of reconciliation or arbitration sessions if required.

G- Keep the lists of arbitrators, names, addresses of experts in all economical and professional fields.

Chapter Four
COMMITTEES OF RECONCILIATION &
ARBITRATION AND FORMATION
Article (17)

The Committee shall appoint the reconciliation authority from one or more members among its members or outside to effect the

reconciliation or by the approval of members and member shall remain in his chair till finalize the case.

Article (18)

A- The litigants shall select an individual arbitrator or a tribunal of three arbitrators among the Committee members or the secretary general or from the arbitrators list approved by the R.A.K Chamber or according to their agreement if they decide not to comply to these regulations.

B- If they agreed on a single arbitrator but not agreed to nominate him the Committee shall appoint him according to a request from either party.

C- If they agreed on a tribunal comprises more then one arbitrator, then each party shall nominate his arbitrator, if they don't do that in the arbitration application or in the answer the Committee according to the request of either party shall appoint the arbitrator on behalf of the party who hasn't nominated his arbitrator.

D- The parties shall directly select a Chairman of the arbitration tribunal or request the arbitrators to select him, if no agreement effected the Committee shall appoint the tribunal Chairman.

E- In implementing these sub Article Nos.: 13-2- of this article the periods stipulated in Article No.: -27- of these regulations shall be taken in consideration.

F- The Committee shall appoint the arbitrator/s or the tribunal Chairman among the members of the Committee or from the list of arbitrators lodged with the R.A.K Chamber or from outside – if required – the award shall be final with no right for objection except as provided in regard the answers of the arbitrators.

Article (19)

The reconciliator or the arbitrator should not be minor, or deprived from his civil rights due to a penal punishment or insolvent, also not to be a lawyer or attorney or an employee, partner or a relative of any of the litigants till the 4th. Degree, or a guardian and having no direct or indirect interest in the litigation, or tried previously to solve the litigation by reconciliation or gave an opinion in it unless otherwise the parties approved that.

Article (20)

A- The reconciliation or arbitration authority shall hold its meeting in a place agreed by the litigants in case of disagreement, the meeting shall be hold in the place to be specified by the Committee, however the meetings can be hold in any other suitable place and in all cases the award shall be issued in the place specified for arbitration.

B- All members of the reconciliation or arbitration Committee shall attend to review the cases submitted to them, the authority shall have the right to take procedural resolutions by circulation provided to have a unanimous approval and the authority shall have the right to delegate the Chairman to take such resolutions.

C- The sessions of reconciliation or arbitration shall be hold in confidential and not attended but by those who are authorized by the authority when necessary found

Chapter Five
RECONCILIATION PROCEDURES
Article (21)

- 1- The desired party applies in writing to the secretary of the Centre.
- 2- The application shall contain details of litigation and the applicant stand of point supported by documents.
- 3- The secretary shall notify the other party of the presented application within a period of not more than seven days from the date of receiving the application, the other party has to present his opinion in regard the litigation within fifteen days from date of notification of the reconciliation application.
- 4- The reconciliation tribunal shall be formed by the Committee as per article (17) of these regulations, parties shall have the right of objection on the reconciliator/s within two weeks from date of notification; and reconciliation procedures shall start after the expiry of such period.
- 5- The Committee shall have the right to request a down payment on the account of charges as per the provisions of chapter seven of these regulations.
- 6- The authority shall study and call parties to appear in front of them and hear their pleadings, therefore, each party shall attend personally or through an attorney.
- 7- The authority tries to fill the gap between the parties and if they agree on the solution it will be recorded in a minutes.
- 8- The authority shall finalize its duty within two months from the date of commencement, with the possibility to extend the term for similar period/s by a resolution from the Committee.

Article (22)

If the reconciliation fails then the dispute considers as non existing before the R.A.K Chamber, rights of parties shall not prejudice in any way due to what have been presented or written during the sessions.

Chapter Six ARBITRATION PROCEDURES

Article (23)

The party desires for arbitration shall present an application to the Centre Chairman enclosed with the arbitration agreement together with the desired documents supporting his stand of point and the application shall contain the following:

- 1- Name of the plaintiff, nationality and address.
- 2- Name of the defendant, nationality and address
- 3- Subject of litigation and plaintiff demands.
- 4- Name of arbitrator, address or an authorization to the Committee to select an arbitrator.

The arbitration request and its enclosures should be in three or five copies according to the number of arbitrators.

Article (24)

The Centre secretary shall send a copy of arbitration request and enclosures to the defendant within seven days from date of receiving the application.

Article (25)

If there is no agreement on the arbitration and the defendant hasn't sent his reply on the arbitration request within thirty days from date of dispatch, it considers as a rejection from his side to the arbitration.

Article (26)

If there is an agreement on the arbitration, the defendant has to send his response to the Centre in regard the arbitration request with his supporting documents in three or five copies as per the number of arbitrators within thirty days from the date of receiving the arbitration application contains the following:

A- Name and address of his selected arbitrator.

B- His response on the claims of the plaintiff

C- Any counter claim – if any-

The Centre secretary shall send the defendant reply and enclosures to the plaintiff within three days from receiving. The arbitration procedures shall carry on even if the defendant hasn't sent his reply within the above mentioned period.

Article (27)

He secretary shall present the arbitration application to the Committee Chairman with an abbreviation in regard the presentation of parties, the Committee shall hold a meeting within thirty days from the date of receiving all responses to do the following:

A- Approve the arbitrators selected by parties according to the rules as provided in Article No.: 5-e

B- Appoint the non appointed arbitrators

C- Define the place of arbitration if parties fails to define a place.

D- Specify a deposit on the account of arbitration charges which is an aggregate amount to be defined in preliminary with possibility to be increased or decreased according to cover the charges as per the provisions of chapter seven of these regulations.

The Committee shall award the parties a period of twenty one days to select the Chairman, default which the Committee shall do that pursuant to Article No.: (18) of these regulations.

Article (28)

The Centre secretary shall notify the arbitration authority formally of their appointment with a brief of the dispute included the name of litigants. Each arbitrator whether appointed by the parties or the Committee shall reply in writing within two weeks from date of receiving the notification of his approval default which he'll be considered as rejecting the delegation, in such case another arbitrator shall be nominated.

The arbitrator shall explain in his reply also or at any later time of his relation, business, any other connection with the parties that might raise any doubts in regard his neutrality.

Article (29)

When the arbitration Committee accepted the appointment.

the secretary shall send the arbitration file to the arbitration Committee, the award shall be issued within three months from receiving the said file unless otherwise the parties agreed on further period of time.

The Committee shall have the right to extend the period for one similar period, all other extensions shall be done by the approval of the parties or by a resolution of the Committee in case of disagreement due to the nature of the case assessed by the Committee.

Article (30)

Any of the parties shall have the right to request the Committee to consider the appointment of any of the arbitrator due to justified reasons, the Committee shall issue its resolution within twenty one days. It is not permitted to lodge an application to return back the award to the tribunal except in the case of non issuing the Committee resolution within the said period or non accepting the Committee resolution by the objector or the other party.

Article (31)

1- The arbitrator duty shall be ended before closing the pleading period by the agreement of parties to terminate it or by a Committee resolution if the Committee found a legal or actual reason that hinder its task or that doesn't achieve its efforts as per the regulations or in the specific timing according to a complaint filed by either party or the arbitrators.

2- The Committee shall review the complaint after notifying the concerned arbitrator and other arbitrators and litigants, the arbitrator and other parties of the litigation shall have the right

to answer the complaint in writing within fifteen days from the date of notification and the Committee shall issue its resolution within twenty one days from the date of receiving all responses from the concerned arbitrator and other parties.

3- A substitute of the arbitrator shall be appointed within twenty one days from the date of dismissal in the same way that the arbitrator appointed as per these regulations.

Article (32)

If any of the arbitrator refused the appointment or if the arbitrator expired during his duty or if he couldn't attend the arbitration meetings for whatsoever reason, or if he dismissed from the arbitration procedures, then the Committee Chairman has the right to cease the arbitration till appointing the substitute arbitrator or till the reason hindered his duty disappears.

Article (33)

If the parties fails to agree explicitly or implicitly on the law requires to be implemented on the litigation, the arbitration Committee shall implement the current valid laws and customs of the country if the subject of the litigation is internal and between parties whose their business addresses inside the country, in other cases the Committee shall implement the law/s nearest to the litigation subject.

Article (34)

If parties agreed on arbitration inside the Centre and as per it's regulations then it will be an arbitration authorized by

reconciliation and then appealable.

The arbitrators who are delegated to effect the reconciliation shall follow the law required to be implemented, except what is related to the general rules.

If parties agree to accept that the Centre shall host the arbitration without implementing the Centre regulations, then the arbitration shall be either a judicial resolution or reconciliation by the approval of parties.

Article (35)

The arbitration Committee shall consider the essential principles of judicial litigation in exercising its duty that is:

- 1- Respect the right of defense by enabling both parties to present their statements, evidence before issuing the arbitration award.
- 2- Enabling both parties to review all papers and documents presented by other party.
- 3- Treat both parties equally.

Article (36)

The arbitration Committee after receiving the file shall examine the memorandums and other presentations of the parties and hear their pleadings against each other, with the right to request for further documents and witnesses, also the right to decide the litigation according to the documents alone if found that sufficient provided to obtain the parties approval.

Article (37)

Litigants have the right to attend personally or via an authorized attorney before the Committee, the Committee shall identify the valid representation.

Article (38)

If any of the parties hasn't attended the sessions requested by the Committee and failed to present within a reasonable period of time a good justification for his absence, that will not hinder resuming the arbitration.

Article (39)

The arbitration procedures shall be ceased if there is any legal or actual hindrance existing that prevent the continuation and till the quash of such hindrance as per the law of the United Arab Emirates, and precisely in the following cases:

- 1- The un ability of attendance by the arbitrator, dismissal or his expiry.
- 2- The expiry of either party, lack his capacity, the expiration of the company, lack the capacity of agency till the appointment of an attorney for the successors or a liquidator for the company, guardian or another attorney for either party.
- 3- Nonpayment the advances as per Article Nos.: (27-D), (53)
- 4- Request the competent court to take legal action against the witnesses who fail to attend before the arbitration Committee or refuse to answer any query.
- 5- Request the competent court to issue it's order to present the

document with the other party.

6- Claim of forgery of the documents if required to decide the arbitration.

Article (40)

The testimony shall be done in verbal, the Committee may accept a written statement signed by the witness and attested without putting the witness under oath unless the oath is obligatory required as per the law required to be implemented on the arbitration procedures, in all cases the authority has the right to call the witness for discussion.

Article (41)

Without prejudice the right of either party to present a technical expertise report as a part of the documents supporting his stand of point, the arbitration authority shall have the right automatically or according to a request from either party, to delegate an expert if necessity found and shall define by a letter the tasks required to be achieved by him through a report, also to define the expert fees and the expert should be a natural person, any party can call the expert to discuss his report.

Article (42)

The commencement of the arbitration shall not deprive the parties from their right to refer the litigation to the courts for taking temporary injunction , in such case the party who takes such procedures shall notify the Centre secretary and the arbitration authority of the same.

Article (43)

The Arabic language shall be adopted as the arbitration language, unless otherwise parties or the arbitration authority decide different language, taking in consideration the current circumstances especially the contract language and exchanged correspondences between the parties.

The award shall be issued in Arabic language, if the arbitration effected in non Arabic language then a translation into Arabic language shall be attached with the award.

Article (44)

The arbitration authority has the right in any stage of the arbitration and till closing the pleading procedures, to call parties for negotiations in order to settle their litigation, if parties positively respond to such call then the arbitration procedures shall not stop but by the agreement to cease it. If parties agreed to settle their litigation the authority (if requested) shall issue an award of the settlement result in which they agreed on.

Article (45)

1- The final award or any other award issued by the arbitration authority during the arbitration procedures shall be adopted by the majority without prejudice the provisions of Article No.: (20-B) of these regulations and should be signed by the members who approved it, the objected members shall present their objection in writing showing the reasons behind that and signed by them in order to be enclosed with award.

2- If the majority mentioned above haven't obtained then the final award or any other resolution adopted by the authority

during the arbitration procedures shall be issued by the authority Chairman solely.

3- The final award of the authority shall be in writing and shall contain the following:

- a) Agreement on arbitration
- b) Name of arbitrators and litigants
- c) Summary of litigation
- d) Applications, defenses of litigants and reasons behind accepting or declining any application.
- e) The issued award, reasons and contents.
- f) Charges of arbitration and the party who shall assume the same or the rate to be borne by parties
- g) Date and place of the award.

Article (46)

1- The arbitration award issued in the country pursuant to these regulations is non appealable by any methods of appeal except the cancellation taking in consideration provision of Article No.: (34) of these regulations.

2- Either party shall have the right to request for a whole or partial explanation of the award within fifteen days from the date of notification by an application to be filed with the Centre secretary the Committee shall within seven days refer the said application to the arbitration authority and copy to the other party. the authority shall present its explanation to the Centre secretary within one month from the date of reference and the explanation considers as an integral part of the award.

3- The arbitration authority has the right or upon a request from any of the parties to request either party to correct the material, calculation mistakes in the award – if any- and notify the parties of the same.

Article (47)

The award shall be lodged with the Centre secretary after deciding the arbitration costs and signing it by the arbitration authority and correcting any mistakes – if any- and the secretary shall provide each party with a copy after paying the required fees and arbitrators charges and arbitration costs – if any-

Chapter Seven

CHARGES OF RECONCILIATION & ARBITRATION

Article (48)

The charges of reconciliation or arbitration shall include the R.A.K Chamber fees, arbitrators charges, normal expenses spent by parties to prepare their defenses and any other administrative expenses related to rent halls, copies, registration, photocopying and other charges required for reconciliation or arbitration.

Article (49)

The Committee shall prepare lists of registration, administrative fees for reconciliation and arbitration and arbitrators charges to be decided by the R.A.K Chamber Board of Directors and the arbitrators charges shall be a percentage of total litigated amounts with minimum and maximum amount according to the condition of the case, the Board shall have the right to propose amendments on such lists from time to time.

Article (50)

The R.A.K Chamber shall obtain the non refundable registration fees to be paid at time of applying for reconciliation or arbitration.

Article (51)

The R.A.K Chamber shall obtain an administrative fees pro rate the litigated amount as per the list of fees.

Article (52)

The authority shall define the fees of the arbitrators before referring the file of litigation to them, with the right to request litigants to pay advance payment on the account of the reconciliation to be paid either equally or to be borne by one of the parties.

Article (53)

A- The authority shall define in preliminary the fees of arbitrators as per the list enclosed with these regulations, and to define the payment required from the parties either wholly equally in advance or on parts as per Article No.: (27) and the Articles of this chapter.

B- The required amount might be paid totally by the party desire to carry on with the arbitration if the other party default to pay his share.

C- If the litigation amount is not specified, the authority shall assess the arbitrators fees according to the volume of the case

and its complications.

D- If an application/s lodged independent than the initial application, the authority shall have the right to decide an additional payment to be paid by the applicant without prejudice to the principle of equal payment.

Article (54)

1- The file case shall not be handed over to the authority of reconciliation or arbitration but after the complete payment of the administrative fees and advance payment decided by the authority.

2- The authority shall have the right to request the parties to pay additional payments if found that the payments done are not covering the charges of reconciliation or arbitration.

3- If the parties refused to pay any of the required payments the the reconciliation or arbitration shall be ceased and the secretary shall notify the authority and the Committee.

Article (55)

The authority, as an exceptional, shall have the right to decide the arbitrators fees of an amount differ than what has mentioned in the lists if the authority found that the case procedures requires that, it might increase the amount if the procedures prolonged or diversify in such a way that became out of the authority control, or by decrease if the parties reached to an amicable settlement outside the authority during the arbitration procedures. In case of decrease the balance un utilized amount to be refunded to the parties or to either one as the case.

Article (56)

The fees to be paid to the treasure of the R.A.K Chamber while the arbitrators fees to be kept as a trust with the treasure.

Yousef Obaid Al Nuaimi
The Chairman